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**DEPARTMENT OF HOMELAND SECURITY**  
**U.S. CUSTOMS AND BORDER PROTECTION**

**[CBP Dec. No. 12-06]**

**Automated Commercial Environment Required for the Transmission of Advance  
Ocean and Rail Cargo Information**

**AGENCY:** U.S. Customs and Border Protection, DHS.

**ACTION:** Notice.

**SUMMARY:** Various U.S. Customs and Border Protection (CBP) regulations require the transmission of advance cargo information to CBP through a CBP-approved electronic data interchange (EDI) system. CBP recently completed the testing of the Automated Commercial Environment (ACE) for the transmission of advance ocean and rail cargo information. This notice announces that, after a six month transition period, ACE will be the only CBP-approved EDI for submitting required advance information for ocean and rail cargo.

**DATES:** On September 29, 2012, ACE will be the only CBP-approved EDI for transmitting to CBP required advance information for ocean and rail cargo.

**FOR FURTHER INFORMATION CONTACT:** Susan Maskell, Office of International Trade, [Susan.Maskell@dhs.gov](mailto:Susan.Maskell@dhs.gov).

**SUPPLEMENTARY INFORMATION:**

**Background**

Section 343(a) of the Trade Act of 2002, as amended by the Maritime Transportation Security Act of 2002 (19 U.S.C. 2071 note) (referred to in this notice as the Trade Act), directed U.S. Customs and Border Protection (CBP) to promulgate regulations providing for the mandatory transmission of electronic cargo information by way of a CBP-approved electronic data interchange (EDI) system before the cargo is brought into or departs the United States by any mode of commercial transportation (ocean, air, rail or truck). The required cargo information is that which is reasonably necessary to enable high-risk shipments to be identified for purposes of ensuring cargo safety and security and preventing smuggling pursuant to the laws enforced and administered by CBP. To effectuate the provisions of the Trade Act, CBP published a final rule in the **Federal Register** in 2003, requiring the advance electronic transmission of information pertaining to cargo prior to its being brought into, or sent from, the United States by sea, air, rail or truck. See Required Advance Electronic Presentation of Cargo Information, 68 FR 68140, December 5, 2003.<sup>1</sup>

Section 203 of the Security and Accountability for Every Port Act of 2006, Pub. L. 109-347, 120 Stat. 1884 (SAFE Port Act) directed the Secretary of Homeland Security, acting through the Commissioner of CBP, to promulgate regulations to require the electronic transmission to the Department of Homeland Security of additional data elements for improved high-risk targeting, including appropriate security elements of entry data, as determined by the Secretary. This additional data was to be provided as

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<sup>1</sup> The Trade Act, enacted on August 6, 2002, was amended by the Maritime Transportation Security Act of 2002, enacted on November 25, 2002. On October 31, 2002, CBP published a final rule to require the advance and accurate presentation of certain manifest information before cargo is laden aboard a vessel at a foreign port. This rule was promulgated under the authority of 19 U.S.C. 1431. CBP encouraged the presentation of this information electronically. See 67 FR 66318. This final rule is known to the trade as the “24 hour rule.”

advanced information with respect to cargo destined for importation into the United States prior to loading of such cargo on vessels at foreign seaports. In 2008, pursuant to the Trade Act and the SAFE Port Act, CBP published an interim final rule in the **Federal Register** requiring importers and carriers to submit additional information pertaining to maritime cargo before the cargo is brought into the United States by means of a CBP-approved electronic interchange system. See Importer Security Filing and Additional Carrier Requirements, 73 FR 71730, November 25, 2008. The interim final rule is known to the trade as the “Importer Security Filing” (ISF) or “10 + 2” rule.

#### **Advance Ocean and Rail Cargo Data**

The CBP regulations pertaining to the submission of the data required in advance of arrival for ocean and rail cargo are set forth in title 19 Code of Federal Regulations (CFR) Parts 4, 123, and 149.<sup>2</sup> Sections 4.7(b)(2), 4.7(b)(3)(i), 123.91(a), and 149.2 pertain to the method of transmission of the advance ocean and rail data relevant to this notice. They generally require the transmission of the advance data through the EDI system approved by CBP.

Section 4.7(b)(2), pertaining to vessels, provides that the electronic cargo declaration information must be transmitted through the CBP Automated Manifest System (AMS) or any electronic data interchange system approved by CBP to replace the AMS system for this purpose. Section 4.7(b)(3)(i), also pertaining to vessels, provides that a non-vessel operating common carrier (NVOCC) must electronically transmit the corresponding required cargo declaration information directly to CBP through the vessel

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<sup>2</sup> For specific information about the requirements to provide advance cargo information to CBP, please see the following sections of title 19 CFR: 4.7 Inward foreign manifest, production on demand, contents and form, advance filing of cargo declaration; 4.7a Inward manifest, information required, alternative forms; 4.7c Vessel stow plan; 4.7d Container status messages; 123.91 Electronic information for rail cargo required in advance of arrival; and Part 149 Importer Security Filing.

AMS system (or other system approved by CBP for this purpose), or in the alternative, fully disclose and present the required cargo declaration information for the related cargo to the vessel carrier which is required to present this information to CBP via the vessel AMS system (or other CBP approved system).

Section 123.91(a) requires rail carriers to use a CBP-approved electronic data interchange system to submit the required advance information.

Section 149.2, pertaining to maritime cargo, requires the Importer Security Filing data elements to be submitted through a CBP-approved electronic interchange system.

### **M1 Test for Ocean and Rail Data Transmission**

CBP recently conducted a National Customs Automation Program (NCAP) test, known as M1, concerning the transmission of required advance ocean and rail data through ACE. The test was announced in two **Federal Register** notices (M1 notices). See 75 FR 64737, October 20, 2010 and 76 FR 42721, July 19, 2011.

CBP sought participants that were transmitting the required advance ocean and rail data to CBP in different formats to facilitate their transition to ACE in a controlled environment.<sup>3</sup> M1 test participants were chosen based on the specific type of software format they used to transmit the required advance data. The goal of the M1 test was to ensure that each transmission format was fully compatible with ACE. By working with this select group of participants, CBP was able to verify that each transmission format functioned properly with ACE and to develop effective processes and guidelines. These processes and guidelines will enable the rest of the affected trade community to quickly

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<sup>3</sup> For more information on the types of compatible software utilized to transmit the required advance data, please see the *Implementation of the Test* section of the October 20, 2010 M1 notice (75 FR 64737 at 64738).

and efficiently transition to ACE. The M1 participants began submitting live data through ACE on November 30, 2011.

CBP stated in the M1 notices that upon the successful completion of the M1 test, CBP would publish another notice to announce that after a transition period, ACE would be the only CBP-approved EDI for transmitting required advance data for ocean and rail cargo.

### **M1 Test Results**

The M1 test has been successfully completed. To date, 24 trade participants have completed the certification testing described in the M1 test notice and are transmitting their advance ocean and rail cargo information in ACE. Another 11 trade participants are currently involved in certification testing. The port of Baltimore, Maryland began utilizing ACE for processing ocean cargo on November 30, 2011. The ports of Buffalo, New York and Brownsville, Texas began using ACE for processing ocean and rail cargo on December 5, 2011. To date, 91 ports are using ACE for ocean and/or rail processing.

CBP verified that all electronic data interchanges are compatible with ACE and has prepared ACE Implementation Guidelines, which are posted at [www.CBP.gov](http://www.CBP.gov). The ACE Implementation Guidelines include the appropriate standards needed for each referenced type of software to work with ACE. These standards will enable transmitters to conform their own software to ACE or to acquire new software that is compatible with ACE. In addition to the ACE Implementation Guidelines, CBP has posted informational notices, user guides, and Web-based training at [www.CBP.gov](http://www.CBP.gov).

### **ACE as the Only CBP-approved EDI for Required Advance Ocean and Rail Cargo Information**

For purposes of sections 4.7(b)(2), 4.7(b)(3)(i), 123.91(a), and 149.2 of title 19 CFR, beginning on September 29, 2012, ACE will be the only CBP-approved EDI for transmitting the required advance information for ocean and rail cargo. Until this date, a transition period is in effect during which ACE or AMS may be used to transmit the required advance information for ocean and rail cargo.

CBP will continue to work with the affected trade community to ensure a complete and efficient transition to ACE. CBP encourages all transmitters to undergo the ACE certification process described in the M1 notices during the transition period to ensure total ACE functionality.<sup>4</sup> Total ACE functionality means that the transmitter will retain all of the existing functionality currently available as well as the new functionalities only available through ACE.<sup>5</sup> Transmitters should contact the Client Representative Branch at 571-468-5500 to make arrangements to begin the ACE certification process.

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<sup>4</sup> Participants were required to undergo the certification process, described in detail in the October 20, 2010 M1 notice, as a prerequisite for participating in the M1 test. See 75 FR 64737 at 64739.

<sup>5</sup> For more information on the additional functionalities available through ACE, please see the *ACE Functionality* section of the October 20, 2010 M1 notice (75 FR 64737 at 64739).

Although AMS will continue to operate during the transition period and may still be used in the normal course of business for other purposes, it will no longer be available for purposes related to transmitting to CBP required advance ocean and rail cargo information beginning on September 29, 2012.

Date: March 26, 2012

Thomas Winkowski  
Acting Commissioner  
U.S. Customs and Border Protection

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